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THESIS

**WILL DEMOCRACY BRING PEACE ACROSS THE
TAIWAN STRAIT?**

by

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June 2000

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The Taiwan question is the most important issue in US-PRC relations. A decision by the PRC to resolve the issue militarily would jeopardize major US interests in the East Asian region. Drawing largely on democratic peace theory, which asserts that democracies do not go to war with one another, some assessments of the Taiwan question argue that peaceful resolution of the reunification issue must rest on the transformation of the PRC's authoritarian political system into a democracy. This belief also has been an implicit premise of the US approach to engagement with the PRC. The US policy of engagement focuses on democratic peace as a panacea for the Taiwan question, assuming that a democratic China will not forcibly reunite Taiwan with the mainland. This thesis questions that assumption and argues that there are solid grounds for suspecting that were the PRC to become a democracy, the Taiwan issue may not be any more amenable to peaceful resolution. Resolution, in fact, may be even more difficult to achieve between two Chinese democracies.

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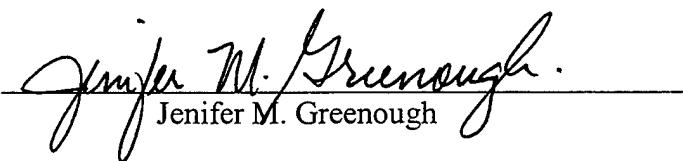
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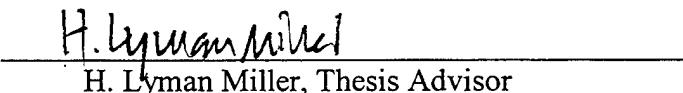
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TABLE OF CONTENTS

I.	INTRODUCTION.....	1
A.	BACKGROUND	1
B.	RESEARCH QUESTION AND RELEVANCE	3
C.	METHODOLOGY	5
D.	ORGANIZATION	5
II.	DEMOCRATIC PEACE THEORY	7
A.	THEORETICAL EXPLANATIONS.....	7
1.	Normative Argument.....	8
2.	Institutional/Structural Argument.....	9
B.	HISTORICAL APPLICATION OF DEMOCRATIC PEACE THEORY	10
C.	US ADOPTION OF DEMOCRATIC PEACE AS A CORNERSTONE IN US-CHINESE RELATIONS	12
D.	CONCLUSION	15
III.	CHINA'S DEMOCRATIZATION.....	17
A.	PRINCIPLES OF DEMOCRATIZATION.....	17
1.	Overview of Arguments.....	18
C.	ECONOMIC LIBERALIZATION	19
D.	POLITICAL LIBERALIZATION.....	24
E.	CONCLUSION	28
IV.	THE TAIWAN QUESTION AND CHINA'S FOREIGN RELATIONS	31
A.	CHINA'S FOREIGN POLICY ORIENTATION.....	31
B.	CHINESE PERSPECTIVES ON THE INTERNATIONAL POLITICAL SYSTEM.....	32
1.	Realism.....	32
2.	Strategic Culture and Historical Experience	35
C.	FOREIGN POLICY FRAMEWORK.....	38
D.	CHINA'S TAIWAN POLICY	40
1.	Taiwan as a Security Concern	41
2.	China's Economic Interests in Taiwan	41
3.	China's Reunification Wishes.....	42
E.	TAIWAN'S RESPONSE	44
V.	IMPLICATIONS OF DEMOCRATIZATION ON CROSS STRAIT RELATIONS	47
A.	TAIWAN AS A SECURITY CONSIDERATION	48
B.	DEMOCRATIZATION'S AFFECT ON ECONOMIC INTERESTS IN TAIWAN	50
C.	DEMOCRATIZATION'S EFFECT ON PRC REUNIFICATION GOALS.....	50
D.	TAIWANESE OUTLOOK ON DEMOCRATIC PRC	52
E.	IMPLICATIONS FOR US-CHINA POLICY.....	53
F.	CONCLUSION	55
	BIBLIOGRAPHY	57

INITIAL DISTRIBUTION LIST	63
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EXECUTIVE SUMMARY

The Taiwan question is the most important issue in US-PRC relations. The significance of Taiwan and the adamancy with which Beijing has pursued its “one-China” policy has left little room for international negotiation on the future of Taiwan. Beijing’s willingness to negotiate with Taiwan on the specifics of reunification is sincere, but its adherence to the one country, two systems approach to the Taiwan question has largely alienated Taipei, which considers the one-country two-systems approach unacceptable.

A PRC decision to resolve the issue using military force would jeopardize major US interests in the East Asian Region. Both the United States and the European Union have extensive economic ties to the region and therefore an interest in regional stability. As stated in a recent speech by President Clinton, “We understand that America has a profound stake in what happens in China and how China relates to the rest of the world. That's why, for 30 years, every President, without regard to party, has worked for a China that contributes to the stability of Asia, that is open to the world, that upholds the rule of law at home and abroad.”¹

Some assessments of the Taiwan question, including those made by some Taiwanese officials, suggest that a peaceful solution to the issue must rest on the transformation of the PRC’s authoritarian political system into a democracy. This has also been a premise of the US approach to engagement with the PRC generally and to the Taiwan question specifically.

¹ President Clinton. “America has a profound stake in what happens in China.” Paul Nitze School of Advanced International Studies, 8 March 2000.

The current strategy of engagement adopted by the Clinton administration is based on the belief that engagement will help bring about democratization in China. Drawing on the tenets of democratic peace theory, which states that democratic states do not go to war with one another, the policy of engagement advances US national interests by supporting the transition of potential adversary (communist PRC) to a potential peaceful partner (democratic China).

This thesis raises questions about the assumptions of this policy. Democratization might not result in changes in Beijing's basic views of Taiwan and the emphasis Beijing's leaders place on the issue of reunification. Democratization may result in greater potential for forceful resolution of the Taiwan question.

I. INTRODUCTION

The Taiwan question is the most important issue in US-PRC relations. The significance of Taiwan and the adamancy with which Beijing has pursued its “one-China” policy has left little room for international negotiation on the future of Taiwan. Beijing’s willingness to negotiate with Taiwan on the specifics of reunification is sincere, but its adherence to the one-country two systems policy has largely alienated Taipei, which considers the one-country two systems approach unacceptable as a basis for reunification.

A. BACKGROUND

For the past 100 years, the province of Taiwan generally has been separated from Mainland Chinese rule. The most bitterly contested foreign occupation occurred at the hands of the Japanese, who gained control of Taiwan after victory in the Sino-Japanese War of 1894-5. When Taiwan was finally reclaimed after World War II, it remained under the control of the mainland Republic of China regime until the end of the Chinese civil war. After 1949, Taiwan served as the refuge of the Kuomintang, which fled the mainland after it lost the struggle for power with the CCP. Approximately two million mainland adherents of the Kuomintang fled to Taiwan in 1949 to preserve what the party considered to be the “Republic of China.”

Taiwan has maintained its de facto independence from the PRC, and little commonality remains to unite the two states. Taiwan, having prospered with the assistance of Western powers, is technologically advanced and has a booming economy. Furthermore, in the last decade, Taiwan has undergone a transition to democracy and now boasts a liberal democratic regime.

PRC leaders view Taiwan as an integral part of China and see its calls for independence as a direct threat to the country's national security as well as to regime legitimacy. Maintaining a "one-China" policy, and keeping all of China's regions intact (including Taiwan), is of utmost concern to PRC leaders. According to Morton Abramowitz, "If China's history in the twentieth century has been about anything, it has been an obsession with restoring China's territorial integrity and ridding the country of foreign interference. In Beijing, asserting the goal of regaining sovereignty over Taiwan is necessary for political legitimacy, particularly given the continuing level of foreign involvement in this issue."²

As expressed in Beijing's 1993 "White Paper" entitled *The Taiwan Question and the Reunification of China*, the PRC firmly upholds the "one-China" policy. "It is the sacred right of each and every sovereign state and a fundamental principle of international law to safeguard national unity and territorial integrity ... Taiwan is China's largest island and forms an integral whole with the mainland."³ In view of China's experience and its obsession with territorial integrity and sovereignty, its stance on Taiwanese independence is not surprising. As an issue of national sovereignty, Beijing considers the issue of uniting Taiwan with the mainland to be purely domestic in nature and it is not willing to discuss the future of Taiwan in international forums. In light of the historical, territorial, and economic significance of Taiwan, China rejects all calls for Taiwanese independence.

Beijing is steadfast in its position that Taiwan is a renegade province and regards international interference in the reunification process as an encroachment on Chinese

² Abramowitz, Morton I. *China: Can We Have a Policy?* Washington D.C.: Carnegie Endowment for

sovereignty. Recently the Chinese have taken this one step further with direct threats to the United States if it continues to “impede” the peaceful reunification of the PRC and Taiwan.

B. RESEARCH QUESTION AND RELEVANCE

A PRC decision to resolve the Taiwan question using military force would jeopardize major US interests in both the PRC and on Taiwan and would jeopardize peace and stability in the East Asian Region. Both the United States and the European Union have extensive economic ties with the region and an interest in East Asian stability. As stated in a recent speech by President Clinton, “We understand that America has a profound stake in what happens in China and how China relates to the rest of the world. That's why, for 30 years, every President, without regard to party, has worked for a China that contributes to the stability of Asia, that is open to the world, that upholds the rule of law at home and abroad.”⁴ This statement demonstrates US recognition of China's role as a stabilizing actor in East Asia and the importance of establishing a working relationship with the Chinese.

The United States wants a peaceful resolution of the Taiwan question in line with its commitment via the Taiwan Relations Act and its economic interests. The United States has an interest in integrating China into the world trading system and in seeing it join the World Trade Organization (WTO). President Clinton has said, “If China accepts the responsibilities that come with WTO membership, that will give us broad access to China's markets, while accelerating its internal reforms and propelling it toward

¹International Peace, 1997, p19.

²Beijing 1993 White Paper: *The Taiwan Question and the Reunification of China*.

³President Clinton. “America has a profound stake in what happens in China.” Paul Nitze School of Advanced International Studies, 8 March 2000.

acceptance of the rule of law.”⁵ This integration into the global community is contingent on the peaceful resolution of the Taiwan question. Beijing’s use of force to settle the Taiwan question will impede cooperation between the United States and China and will force the United States to retaliate against Beijing.

Some assessments of the Taiwan question, including those made by some Taiwanese officials, suggest that a peaceful solution to the issue must ultimately rest on the transformation of the PRC’s authoritarian political system into a democracy. This also has been a premise of the US approach to engagement with the PRC generally and to the Taiwan question specifically.

The current strategy of engagement adopted by the Clinton administration is based on the belief that engagement will bring about democratization in China. Drawing on the tenets of democratic peace theory, which states that democratic states do not go to war with one another, the policy of engagement advances US national interests by supporting the transition of potential adversary (a communist PRC) to a potential peaceful partner (democratic China).

This thesis raises questions about the assumptions of this policy. Democratization might not result in changes in Beijing’s basic views of Taiwan, but rather might decrease the potential for peaceful resolution of the Taiwan question.

Examination of Chinese history, China’s resulting strategic culture, and its definition of national security interests reveals that territorial integrity is the key to

⁵ [http://usinfo.state.gov/regional/ea/uschina/clint308.htm] March 2000.

⁵ President Clinton, “4/7 Speech On U.S. Policy Toward China: (U.S. will “seek the truth from facts” on China).”

[http://usinfo.state.gov/regional/ea/uschina/clint407.htm]. February 2000.

Chinese national security. Losing Taiwan would result in a severe blow to the integrity of China and its leadership, while calling into question China's territorial claims over traditionally non-Chinese provinces (including Tibet). The Chinese population is unwilling to allow Taiwan to declare independence, a decree that will not change under democracy. Therefore, the US policy of pursuing engagement in order to promote democratic transition and a peaceful resolution of the Taiwan question is not necessarily the best policy to pursue. Democratization is a worthy goal, but expecting miraculous results across the Strait from its institution is amiss.

C. METHODOLOGY

This thesis examines the importance of history and culture in the determination of China's Taiwan policy. It examines the *Realpolitik* thinking that dominates China's foreign policy making and its view on international relations and then investigates how that framework applies to the Taiwan question. The thesis argues democratization is a possibility in China's future and provides evidence of liberalization in China's recent past. Drawing on this assumption, the thesis looks at the predictions offered by democratic peace theory and evaluates how a democratic China might respond to the Taiwan question.

D. ORGANIZATION

This thesis has three main sections. Chapter II describes democratic peace theory and US reliance on it as a primary tenet of its foreign policy. It examines the role of democratic peace theory in US policy making as well as the Clinton administration's adoption of a Chinese policy grounded in expectations based on democratic peace theory.

Chapter III highlights liberalization efforts in China's recent history and identifies core reasons why an assumption of democratization in the PRC future is not completely

unrealistic. The chapter looks at liberalization efforts in the economic and political sectors and relates how these changes are representative of significant precursors of continuing democratization. This chapter does not debate the issue of democratization but rather highlights optimistic arguments about China's future.

Chapter IV investigates the role of the Taiwan question in China's foreign policy. It identifies the strategic importance of Taiwan in China's national security policy and the implications that Taiwanese independence would have for the PRC. Important economic, political, and military factors that influence Beijing's Taiwan policy are identified. Chapter V advances the arguments for why democratization will not guarantee a peaceful resolution of the Taiwan question. This final chapter concludes with implications for US policy.

II. DEMOCRATIC PEACE THEORY

Democratic Peace theory, which is widely accepted as a “law” among international political theorists,⁶ holds that while democracies are not necessarily more pacific than other regime types and may fight wars with virtually the same frequency as non-democracies, democracies do not go to war with one another. This theory, which was initially presented by Kant in his perpetual peace argument,⁷ has become the essence of US foreign policy and specifically US-China policy. If the Kantian perspective is correct, it may be possible to supersede the “realist” principles (anarchy, the security dilemma) that have dominated international relations and create a more peaceful international community.

A. THEORETICAL EXPLANATIONS

Despite a consensus that democratic peace exists, there is little agreement on its causes. It is generally agreed, however, that democracies’ comparatively peaceful interactions with each other are well established, and are not spuriously caused by some other influence such as sharing high levels of wealth or rapid economic growth or ties of alliance. Peace among democracies was not maintained simply by pressure from a common adversary in the Cold War, and it has outlasted that threat. Instead, democratic

⁶ See Maoz and Russett. “Normative and Structural Causes of Democratic Peace, 1946-1986.” *American Political Science Review*. Volume 87, No.3, September 1993, p624. “Recognition of the *democratic-peace* result is probably one of the most significant nontrivial products of the scientific study of world politics.”

⁷ Kant anticipates the ever-widening liberal pacific union and argues that perpetual peace will be guaranteed by the ever-widening acceptance of three “definitive articles” of peace. Kant spoke of perpetual peace based partially upon states sharing “republican constitutions.” His meaning was compatible with basic contemporary understandings of democracy. As the elements of such a constitution he identified freedom (with legal equality of subjects), representative government, and separation of powers. The other key elements of its perpetual peace were “cosmopolitan law” embodying ties of international commerce and free trade, and a “pacific union” established by treaty in international law among republics.

peace theorists advance explanations for the democratic peace based on norms/culture and structural/institutional restraint. The norms based model is the most widely accepted, but is not mutually exclusive in its causation. The two approaches identify the primary explanation for the existence of the democratic peace.

1. Normative Argument

Bruce Russett, Carol and Melvin Ember, William Dixon, and Michael Doyle emphasize the role of liberal and democratic norms in preventing war between democracies.⁸ The democratic peace proposition assumes that democracies have a live-and-let-live policy within their national borders and that they will resolve domestic conflicts peacefully. People in a democracy perceive themselves as autonomous, self-governing individuals who respect the right of self-determination of other countries who also are perceived as self-governing and hence not easily led into aggressive foreign policies by a self-serving elite.

The normative argument assumes the norms of regulated political competition, compromise, and peaceful transfer of power (which are assumed to limit a democracies internal aggression) are externalized by democracies in their dealing with other national actors in world politics, thus extending domestic cultural norms to the international arena. When two democracies come into a conflict, they apply these democratic norms to their interaction, thus preventing most conflicts from escalating to war. Because democratic leaders will be inclined to strive for some form of peaceful settlement, so long as they can

⁸ Doyle, Michael W. "Liberalism and World Politics." *American Political Science Review*. Volume 80, Number 4, December 1986, pp1151-1169.

Carol Ember, Melvin Ember, and Bruce Russett. "Peace Between Participatory Polities: A Cross-Cultural Test of the 'Democracies Rarely Fight Each Other' Hypothesis." *World Politics*. Volume 44, Number 4, July 1992, pp573-599.

trust their opponent to abide by its provisions, they will likely succeed in avoiding war when confronting other states whose leaders operate under similar normative guidelines.

2. Institutional/Structural Argument

A second set of theorists, including Randall Schweller, David Lake, Alex Mintz and Nehemia Geva, and Clifton Morgan and Sally Campbell, concentrate on how democratic institutions structurally constrain decision-makers who might otherwise opt to go to war.⁹ The structural constraints (such as structure of division of power and of checks and balances) that exist within democracies make it difficult for democratic leaders to move their countries into war and ensure that in a conflict of interest with a democracy another state can expect ample time for conflict-resolution processes to be effective while incurring virtually zero risk of surprise attack.

The complex political mobilization processes that mark democracies impose institutional constraints on the leaders of confronting democratic states, making the escalation of conflict to the level of war nearly impossible. Because democratic leaders know that the leaders of non-democracies are not subject to the same kind of institutional restraints and can make unilateral decisions to escalate a conflict, they can not afford to exhibit the same kind of restraint with non-democracies as is exhibited in their relations with democracies.

⁹ Lake, David A. "Powerful Pacifists: Democratic States and War." *American Political Science Review*. Volume 86, Number 1, March 1992, pp24-37.

Alex Mintz and Nehemia Geva. "Why Don't Democracies Fight Each Other? An Experimental Assessment of the 'Political Incentive' Explanation." *Journal of Conflict Resolution*. Volume 37, Number 3, September 1992, pp484-503.

T. Clifton Morgan and Sally H. Campbell. "Domestic Structure, Decisional Constraints and War: So Why Do Democracies Fight?" *Journal of Conflict Resolution*. Volume 25, Number 2, June 1991, pp187-211. Schweller, Randall L. "Domestic Structure and Preventive War: Are Democracies More Pacific?" *World Politics*. Volume 44, Number 2, January 1992, pp235-269.

B. HISTORICAL APPLICATION OF DEMOCRATIC PEACE THEORY

In embracing the belief that the spread of democracy will reduce external security threats to the United States, expand the democratic zone of peace and produce beneficial domestic benefits for countries that become democratic, US policymakers have converted an empirical finding into the security policy manifesto that “promoting democracy is the best strategy of ensuing US security abroad.”

Dissenters such as John L. Harper argue that basing US foreign policy on the theory of democratic peace is dangerous and foolish, with the potential to cause the United States to lose sight of its true security needs. In a recent article, Harper states, “The democratic peace is essentially a historical hypothesis, a set of propositions based on past experience. … [A] country may feel solidarity toward other countries with similar political values and institutions, but countries become reliable partners only when their interests require it.”¹⁰ Harper goes on to argue that America’s abundance of peaceful partnerships with democratic nations is a result of these states’ dependence on the United States. Harper criticizes the Clinton administration’s foreign policy, which gives significant weight to the development and support of democracy building. Instead, Harper argues, “The one indispensable factor in forming reliable partnerships is not democracy or the lack of it, but self-interest”¹¹

In his article “The Democracy Nostrum,” Thomas Carothers voices additional skepticism over adopting the democratic peace argument as the cornerstone of US foreign policy. He argues that the validity of the democratic peace is likely to be very different in

¹⁰ Harper, John L. “The Dream of Democratic Peace: Americans are not Asleep.” *Foreign Policy*. Volume 76, Number 3, May/June 1997, p117.

¹¹ *Ibid*, p118.

the Post-Cold War era, where the bulk of “democratic” states are no longer Western countries, but rather are comprised of third world and developing countries which are “formally democratic” (hold open elections), but lack consolidation and the supporting infrastructure that renders stability in new democratic regimes. Carothers argues that this significant change in the make up of democratic states is likely to result in relatively higher levels of conflict between democracies, thus contradicting democratic peace theory. If the United States continues to pursue a foreign policy based on democratic peace theory during an era when the stability of a large number of new “democracies” is in question, the results are likely to be unfavorable.

Despite persistent arguments made by critics such as Harper and Carothers, encouraging the spread of democracy has been a distinctive mark of United States foreign policy for nearly two centuries. The principle was proclaimed by Thomas Jefferson and advocated in similar terms by Woodrow Wilson when he declared democracy “the best preventive of such jealousies and suspicions and secret intrigues as produce wars.” As President, Franklin Roosevelt stated, “The continued maintenance and improvement of democracy constitute the most important guarantee of international peace.” And in a speech before the British Parliament in June 1982, President Reagan proclaimed that governments founded on a respect for individual liberty exercise “restraint” and “peaceful intentions” in their foreign policy. He then announced a “crusade for freedom” and a “campaign for democratic development.”¹²

President Clinton has continued the zest for democratization efforts. In his 1994 State of the Union address, President Clinton stated, “Democracies don’t attack each

other. ...Ultimately the best strategy to ensure our society and to build a *durable peace* is to support the advance of democracy elsewhere.”¹³ It is the belief of the Clinton administration, and some schools of analysts, experts, and international relations theorists, that peace and stability in the post-Cold War world depend on the spread of democracy and that the United States should encourage this spread by adopting a strategy known as “enlargement.”¹⁴

C. US ADOPTION OF DEMOCRATIC PEACE AS A CORNERSTONE IN US-CHINESE RELATIONS

With respect to China, the Clinton administration has placed considerable emphasis on the peace that is expected to ensue following China’s democratization. US foreign policy toward China seeks to incorporate China into the international community to the greatest extent possible, while continuing to encourage economic growth and political liberalization with the People’s Republic. This strategy of enlargement is better known as “engagement” when directed at a country such as China, with which the United States has quarreled over issues of human rights, arms proliferation, trade policy, and territorial integrity.¹⁵

It is expected that this strategy of engagement with a rising China will ultimately bring about the democratization of the People’s Republic of China (PRC), and that this

¹² Reagan, 9 June 1982, cited in Michael W. Doyle. “Liberalism and World Politics.” *The American Political Science Review*. Volume 80, Number 4, December 1986, p1151.

¹³ President Clinton, “State of the Union Address.” January 25, 1994, emphasis added.

¹⁴ Wang, Vincent Wei Cheng. “Does democratization enhance or reduce Taiwan’s security? A democratic peace inquiry.” *Asian Affairs: An American Review*. Volume 23, Number 1, Spring 1996, p3.

¹⁵ Wang, p3.

will contribute peace and stability in the international system.¹⁶ In remarks made in June 1998 on U.S.-China relations in the 21st Century, President Clinton stated,

China will choose its own destiny, but we can influence that choice by making the right choice ourselves – working with China where we can, dealing directly with our differences where we must. Bringing China into the community of nations rather than trying to shut it out is plainly the best way to advance both our interests and our values. It is the best way to encourage China to follow the path of stability, openness, non-aggression; to embrace free markets, political pluralism, the rule of law; to join us in building a stable international order where free people can make the most of their lives...¹⁷

This statement is a testament to US efforts to engage China, and the Clinton administration's recognition of the importance of China's integration into the international community.

The democratization of the PRC has particular significance to the United States in light of the long-standing political struggle with the mainland by Taiwan (Republic of China or ROC). Specifically, the United States has an interest in Taiwan as a result of a tacit commitment to aid Taiwan should the PRC choose to launch a military invasion of the island.¹⁸ The struggle encompasses more than the question of the United States making good on its tacit commitment; it also involves the difficult questions of sovereignty and international recognition for the ROC. Despite the Clinton administration's commitment to the "three no" policy – no recognition of Taiwan's

¹⁶ See Wang, p6. "...if China abolishes one-party rule, allows pluralism, and implements representative government, then its regime will gradually resemble those of Taiwan, and the West, and will thus face the same normative and institutional constraints on decisions to go to war."

¹⁷ President Clinton. "Remarks by the President on U.S.-China Relations in the 21st Century." National Geographic Society. Washington D.C., June 11, 1998.

¹⁸ Taiwan Relations Act Public Law 96-8. [http://ait.org.tw/ait/tra.html]. 1 December 1999.

"It is the policy of the United States ... to consider any effort to determine the future of Taiwan by other than peaceful means, including those by boycotts or embargoes, a threat to the peace and security of the Western Pacific area and of grave concern to the United States; ... to provide Taiwan with arms of a defensive character; and to maintain the capacity of the United States to resist any resort to force that would jeopardize the security, or the social or economic system, of the people of Taiwan." Taiwan Relations Act Public Law 96-8.

independence, no “two-China” policy, and no support for Taiwan’s entry into international organizations reserved for sovereign nations – the administration strongly supports resolving the Taiwan issue without the use of military force.¹⁹

Recent statements by Taiwanese President Lee Teng-hui in regards to “state-to-state” relations between Taiwan and the PRC have enflamed matters and enraged the leadership in Beijing. Beijing, which considers Taiwan a renegade province, views Lee’s statements as a move toward a declaration of independence, and as a result has reiterated its willingness to use force to keep Taiwan in check and preserve the “one-China” policy.

Some Americans believe, in light of democratic peace theory, that a democratic China may be the answer to the perplexing Taiwan dilemma. Because democracies do not go to war with one another, it is expected that a democratic PRC would either accept the independent sovereignty of the ROC or unite with the ROC under a single democratic government.

The 2000 Taiwanese Presidential election and resultant victory of President-elect Chen Shui-bian and running mate Annette Lu have worsened a brewing conflict in the Taiwan Strait. Vice-President elect Annette Lu, an independence advocate, is accused by Beijing as “showing a friendly face while harboring evil intentions to alienate the relations between people across the Taiwan Strait.”²⁰ Lu has criticized China for its threats, and has supported assertive diplomacy to counter Chinese efforts to isolate

[<http://ait.org.tw/ait/tra.html>]. 1 December 1999.

¹⁹President Clinton. “Remarks By The President In Foreign Policy Speech.” Mayflower Hotel Washington. D.C. , April 7, 1999. “We’ve maintained our strong, unofficial ties to a democratic Taiwan, while upholding our “one-China” policy. We’ve encouraged both sides to resolve their differences peacefully and to have increased contact. We’ve made clear that neither can count on our acceptance if it violates these principles.”

Taiwan. "They want us to accept reunification, but 90 percent of Taiwanese would oppose it," she said. The implications of Lu's comments are not yet clear, but tension in the Taiwan Strait could increase over the coming years.

D. CONCLUSION

According to US policy-makers, Chinese democratization will result in a fundamental change in China's foreign policy, resulting in a peaceful policy that will ameliorate the "difficult" Taiwan situation. In the past, Taiwan has stated that unification is possible under the terms of democracy and rule of law, but the extent to which Taiwan actually expects that to occur are questionable. Democratic peace theory in this situation is not applicable for a number of reasons, especially because democratic peace does not apply to civil wars. In other words, there is no empirical evidence to suggest that once China becomes democratic it will be more willingly to accept Taiwanese independence. US expectations that China's democratization is a panacea for the turmoil across the Strait are misplaced. China's democratization is certainly in the best interest of the United States, but the implications of such a transition should realistically be considered and appropriate US policies designed along expected changes and outcomes.

²⁰ Chinoy, Mike. "China Steps Up Attack on Taiwan's Vice-President Elect." [\[http://www.cnn.com/2000/ASIANOW/east/04/12/china.taiwan.02/index.html\]](http://www.cnn.com/2000/ASIANOW/east/04/12/china.taiwan.02/index.html). 27 April 2000.

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III. CHINA'S DEMOCRATIZATION

The question of whether the People's Republic of China will become more democratic is often thought to be directly relevant to the future of the Taiwan question. It also is critical in determining what types of policies other states should pursue with respect to China and Taiwan. No consensus exists on what China's future political structure will look like, but democratization is at least possible.²¹ This chapter draws attention to key economic and political changes occurring in the People's Republic to show that democratization is at least a possibility and therefore relevant to consider in light of the Taiwan question.

A. PRINCIPLES OF DEMOCRATIZATION

According to Samuel Huntington, the two variables that have the greatest effect on the spread of democracy are economic development and political leadership.²² Juan Linz and Alfred Stepan identify five organizing principles of democracy including the following: freedom of association and communication, free and inclusive electoral contestation, constitutionalism, rational-bureaucratic norms, and an institutionalized market.²³ While China sustains a recently institutionalized market, it does not exhibit any of the above political principles in entirety. Advances in political liberalization, however,

²¹ In the January 1998 edition, the *Journal of Democracy* (Volume 9, Number 1), ran a series of competing articles on "Will China Democratize?" See also *Journal of Democracy* (Volume 9, Number 4, October 1998) "Liberal Voices from China."; Minxin Pei, "Is China Democratizing?" *Foreign Affairs*, Volume 77, Number 1, January/February 1998.

²² Huntington, Samuel P. *The Third Wave: Democratization in the Late Twentieth Century*. Norman: University of Oklahoma Press, 1991, pp315-16.

²³ Juan J. Linz and Alfred Stepan. *Problems of Democratic Transition and Consolidation: Southern Europe, South America, and Post-Communist Europe*. Baltimore: Johns Hopkins University Press, 1996, p14.

have been significant and indicate that China is slowly moving toward a path of greater democratization.²⁴

1. Overview of Arguments

Some critics who remain skeptical about China's democratization often draw on the statements about China's bureaucratic/collectivist tradition and its low level of economic development, along with the significant distance of the Middle Kingdom from Western culture and democratic ideals and practices.²⁵ These arguments are partly ethnocentric. They assume that Chinese historical experience and unique culture are incongruent with democratic principles. It is ignorance that gives rise to the perception that Chinese culture is somehow antithetical to democracy, and it is self-righteousness that leads to the belief that there is only one, or one best, form of democracy.

Proponents of China's potential for democratization argue that democratization can occur in any cultural environment, provided the people of that tradition desire a role in managing their own affairs and a say in deciding how decision-makers will exercise leadership over them. Michael Oksenberg notes several recent developments that have increased both the likelihood of a democratic transition and the speed in which that transition might occur. These developments include an evolution in the thinking of leaders; an increased probability of social unrest that will demand a high-level strategic

²⁴ Liberalization entails a mix of policy and social changes without specific political indications. Democratization requires open contestation over the right to win control of the government, and this in turn requires free competitive elections, the results of which determine who governs. This definitional distinction is drawn from Linz and Stepan, *Problems of Democratic Transition and Consolidation*, chapter one.

²⁵ See

(rather than tactical) response; the influence of Hong Kong and Taiwan on mainland politics; and the consequences of the Chinese leadership's involvement in world affairs.²⁶

C. ECONOMIC LIBERALIZATION

Economic development undermines authoritarianism by spawning the growth of a middle class that demands representation, encouraging a working class that engages in political activity and demands the right to organize, and inciting previously state owned business to develop their own resources while demanding autonomy. China's economic development and liberalization have fostered the beginning of these changes.

China's modern economic reform, initiated by Deng Xiaoping in 1978, began the process of modernizing China's economy along market lines. These initiatives combined central planning with market-oriented reforms. As a result of these reforms, the 1980s were marked by increased productivity, higher living standards, and technological advances and by inflation, unemployment, and budget deficits. Reforms originated in the rural areas where the commune system was not providing food for the people. In 1979, Deng dissolved the commune system and introduced the "responsibility system." Former communal lands were distributed to individual peasant families, who assumed the role of the production team as the basic unit of agricultural production. The new structure, based on a quota system, stipulated that as long as the new producers fulfilled output quotas, they were allowed to decide what, how, and how much they would produce, as well as being able to sell whatever they produced above quota in open markets. This provided the peasants with an opportunity to exercise greater autonomy and individual decision-making. Since income is directly linked to output, the peasants exhibited zest for

²⁶ Oksenberg, Michael. "Will China Democratize?: Confronting a Classic Dilemma." *Journal of*

production. In 1978, 66 percent of rural income was derived from collective sources; by 1989, 81 percent came from the family, while less than 10 percent resulted from communal efforts. Non-agricultural activities also began to emerge with the advent of village enterprises in rural areas.

The 1980s saw an average annual growth rate of 10 percent in agricultural and industrial output and rural per capita income doubled. Rural industries now accounted for 23 % of agricultural output and for the first time in modern history, China established self-sufficiency in grain production (it was then lost again after 1985).

Deng's next efforts focused on urban reform, which contained two distinct caveats. The first was to permit individual economic activity in urban areas. Deng discarded the Marxist ideology adopted by Mao that suppressed the individual economy and instead allowed the individual economy to develop freely. This decision provided opportunities for the unemployed in urban areas and enhanced production and commodity circulation.²⁷ In addition, Deng relaxed restrictions on population movement, which triggered a significant influx of people from the countryside to cities. Between 1984 and 1987, the proportion of people living and working in urban areas increased from 19 to 46 percent.²⁸

The second part of urban reform restructured state owned enterprises (SOEs). This task proved more problematic than the reforms directed at individuals because it

Democracy. Volume 9, Number 1, January 1998, p29.

²⁷ Hu, Shaohua. "Balancing Development and Democracy." *World Affairs*. Volume 161, Number 2, Fall 1998 p71. See footnote 25. [Thomas B. Gold identified seven positive functions of urban private business: alleviating unemployment; preserving state resources; increasing state revenue; filling gaps in the economy, especially in the service sector; putting pressure on the public sector; increasing political stability; and facilitating the notion of "one country, two systems." "Urban Private Business and China's Reform," in

undermined the planned economy and adversely affected privileged urban residents. China emphasized privatization and focused on developing its forces for production, while de-emphasizing state ownership. These changes saw the institution of price and wage reform in 1984, which were measures intended to allow markets rather than the state to determine prices. The state's inability to instill a sense of faith in the new system led to hoarding, inflation, and bank runs; and the reforms failed as a result of the population's fear of the unpredictable market. Despite this failure in the privatization of SOEs, Deng's urban reform provided greater autonomy to enterprises, placing emphasis on material incentives, separation of government administration from enterprise management, development of forces of production, and reform of the price system.

Also during the mid 1980s, Deng abandoned Mao Zedong's principle of self-reliance and opened China to the outside world. Deng realized that economic development would not occur without foreign capital, technology, and markets. The government saw greater reliance on foreign financing and foreign trade as major vehicles for economic growth. They facilitated direct contact between Chinese and foreign trading enterprises. During the early 1990s, China saw great advances in the treatment of foreign investments and joint ventures through the institution of reforms that (1) eliminated time restrictions on the establishment of joint ventures; (2) allowed foreign partners to become chairs of venture boards; (3) granted more preferential tax treatment for wholly foreign-owned businesses and contractual ventures and for foreign companies which invest in selected economic zones or in projects encouraged by the state, including energy, communication, and transportation enterprises; and (4) authorized some foreign

banks to open branches in Shanghai and allowed foreign investors to purchase special "B" shares of stock in selected companies listed on the Shanghai and Shenzhen Securities Exchanges. The globalization of the Chinese market has continued the latter half of this decade. In 1997, China's government approved 21,046 foreign investment projects and received over \$45 billion in foreign direct investment, with 40 percent of China's exports stemming from foreign invested enterprises.²⁹

The opening of the Chinese market to the Western world brought with it the influence of Western ideals and democratic practices. The experience of the former Soviet satellite countries attests to the impact that the Western countries, via economic ventures, can have on the political nature of a state.

Deng's economic reforms were designed to legitimize Communist rule, but in practice they have undermined the power of the state and the CCP and have helped facilitate democratization. The iron fist the CCP wielded over Chinese society has been significantly weakened as a result of economic reform. Though Deng did not successfully reform the large state enterprises, non-state sectors have grown (and continue to grow) at a phenomenal rate vis-à-vis the state sector. Economic reforms have also diverted the attention of the elites from political power and directed it instead toward wealth as the prominent source of status. Most importantly, however, economic development is leading toward the satisfaction of the Chinese people's basic needs; and as Shaohua Hu asserts, once these needs have been met, they will demand freedom and

²⁸ Routledge, 1991), pp87-89.

²⁸ Hu, p73.

²⁹ See State Department Report, Background Notes: China, October 1998. Released by the Bureau of East Asian and Pacific Affairs U.S. Department of State. [http://www.arc.org.tw/sino/china_1098_bgn.htm]. 1 December 1999.

democracy. This suggests that Deng's economic reforms are a motivating factor for an increasing call for democracy.³⁰

Though rural and urban reforms advanced the prosperity of the individual and reduced state regulation, there were limitations to the success of economic reforms. Despite the level of autonomy given to peasants in the rural areas, the state still owns the land. The peasants are still somewhat at the mercy of the state to provide for them. Furthermore, health, education, and welfare are left in the peasants' hands; and many of them do not have the means to provide for such "extravagances." Deng's reforms did not pay enough attention to public goods, economies of scale, technical advances, or the division of labor. The government encourages and emphasizes rising personal income and consumption as well as the introduction of new management systems to increase productivity, but reforming the state sector remains a major hurdle. Statistical evidence shows that in 1995 over half the SOEs were reporting losses.³¹

In 1988 the Chinese economy overheated resulting in uncontrolled inflation. In response, the government introduced the "austerity program" to combat inflation. By the early 1990s, the momentum of the Chinese economy had resumed, and in 1992, the 14th Party Congress backed a renewed push for market reforms. The key task of these reforms was to create a "socialist market economy," which meant continuity in the political system coupled with bolder reform in the economic system. These goals were announced as hallmarks of the 10-year development plan for the 1990s.

³⁰ Hu, p74.

³¹ Hu, p75.

During 1993, actual output and production processes were both accelerating, investment outside the state budget was soaring, and economic expansion was fueled by the introduction of more than 2,000 special economic zones (SEZs) and the influx of foreign capital that the SEZs facilitated. Fearing hyperinflation, Chinese authorities called in speculative loans, raised interest rates, and reevaluated investment projects. This tempered the growth rate, and the inflation rate dropped from over 17 percent in 1995 to 8 percent in early 1996. By early 1997, the Chinese economy was growing at a rate of 9.5 percent, accompanied by low inflation.

In September 1997, during the 15th National Congress, President Jiang Zemin confirmed plans to sell, merge, or close the vast majority of SOEs in his call for increased "public ownership." Fiscal losses incurred from sustaining failing SOEs with government resources and exacerbated by the unregulated growth of the private sector have drained the government and bolstered inflation. These losses have been so great that the government does not have the resources to provide for the 35 million workers that have to be laid off in order to get the SOEs on the road to efficiency and self-sustainability. China faces slowing economic growth and rising unemployment, and is plagued by a financial system burdened by huge amounts of bad loans and massive layoffs stemming from Jiang Zemin's aggressive efforts to reform SOEs.

D. POLITICAL LIBERALIZATION

Deng realized the importance of political reform to the success of Chinese economic development, and realized that China's political structure did not meet the needs of the economic reforms he was instituting. He concluded that economic development would not continue without political change. For Deng, democracy was a

means rather than an end. According to Deng, encouraging democracy stimulates the initiative of the people and of the grass-roots units, which in turn develop productive forces and raise living standards, thus increasing the strength of the socialist country and consolidating and improving the socialist system.³² Democratization was thus intended to strengthen the socialist state while paving the road for further economic development.

The institution of political reform was to occur along three axes: separation of the party and the government; elimination of bureaucratic inefficiency; and devolvement of some power to local authorities. The objective of Deng's political reform was not to establish a Western system characterized by what he considered "bourgeois democracy," but to develop a system composed of the people's congresses, democratic centralism, and people's democracy under Communist leadership. Deng believed "bourgeois democracy" favored class distinctions and catered especially to capitalists. Though he admitted that the Western democracies are more efficient in administration and economic management, Deng asserted that on the whole the socialist system adopted by the PRC is more efficient because "a decision made by the higher level will be put into practice by the lower level,"³³ eliminating the problems that China would face in general elections. Thus, though conducive to democratic practices, Deng's political reforms were not in and of themselves democratic, but more accurately were part of the political liberalization process.

According to Minxin Pei, a senior associate at the Carnegie Endowment for International Peace, political reform has three essential components: establishment of

³² Hu, p69.

norms governing elite politics, restructuring of basic institutions governing relations among parts of the state, and strengthening of the institutions of political participation. Despite the lack of development of fully democratic institutions, Deng's regime ushered in a series of reforms that advanced the reestablishment of norms governing elite politics as well as tentative steps toward restructuring the institutions of the Chinese state.³⁴ With regards to political participation, reforms that began during the Deng era have continued into the 1990s, and have seen the advent of significant political liberalization. Local and small village elections have introduced multiple candidates and secret ballot voting. Villagers are voting more responsive and talented leaders into office, many of which are young entrepreneurs who may not be members of the CCP. Nationally, the People's congress actually debates issues, and dissent is often voiced against officially approved motions and candidates.³⁵

The government's efforts to promote the rule of law are significant and ongoing. After the Cultural Revolution, China's leaders aimed to develop a legal system to restrain abuses of official authority and revolutionary excesses. In 1982, the National People's Congress adopted a new state constitution that emphasized the rule of law under which even party leaders are held accountable. Legal reform has been a priority since the 1980s, and legislation designed to modernize and professionalize lawyers, judges and prisons has been enacted. The 1994 Administrative Procedure Law even allows citizens

³³ Hu, p6. Deng believed China's territorial vastness coupled with the multi-nationalistic character of the state and the inadequate educational background of the general population ruled out the possibility to hold general elections.

³⁴ Pei, Minxin, p69. Despite these changes, Pei believes that Chinese leadership will continue to resist democratization. According to Pei, "Their top priority is to strengthen the party and continue cautious political reforms that will enhance the state's ability to manage the challenges created by China's rapid economic development."

³⁵ See Tianjian Shi. "Village Committee Elections in China: Institutionalist Tactics for China." *World Politics*. Volume 51, Number 3, April 1999 pp385-412.

to sue officials for abuse of authority, though the actual impact of this law is still unclear. Criminal law reform has abolished the classification of “counter-revolutionary” activity as a criminal offense, and procedural reforms continue to encourage the establishment of a more transparent, adversarial trial process.

Though China has taken steps toward a more rights-based society, the Chinese government continues to restrict many civil liberties enjoyed by citizens of mature Western democracies. Prepublication censorship of the press has been reduced, but political opposition is still tightly restricted. Human rights violations are still being reported within the PRC, an issue that has limited greater cooperation with the United States. The 1989 student uprising in Tiananmen Square was an attempt by students to protest for greater political freedom and liberalization. The violent reaction by the government indicates that despite the steps China has taken toward greater freedom, a long road still lies ahead.

Harry Harding, Dean of the Elliott School at George Washington University, considers continued political evolution toward greater liberalization and pluralism as a very plausible scenario for the future of the PRC. He asserts that the following political trends will continue:

- The government’s role in the economy and society will decline significantly, characterizing China as a “large society” with a “small state;”
- The political and administrative elites will become increasingly well-educated;

- A more highly developed legal system and more active legislatures will provide a greater check on administrative power;
- The press will become less inhibited to report on political news;
- And, competitive elections will spread up administrative hierarchy in rural areas and into the cities.³⁶

Harding's analysis, like many predictions made by China experts and international relations theorists, suggests slow democratization that will minimize potential upheavals from rapid transitions and curtail institutional instability.

E. CONCLUSION

Economic and political changes in China feed on each other and undermine authoritarianism. Economic development spawns a middle class that will demand the right to organize and engage in political action and a business community that develops its own resources and demands autonomy. These social changes, fostered by successful economic development, generate political pressures for greater autonomy from the state on the part of business and civil society in general, for broader opportunities for public political participation, and for government that operates according to law rather than the whims of rulers. Democratization has a better chance of succeeding where there is not only economic growth but also a conscious effort on the part of the state to achieve a degree of economic equity.

Economic reforms have weakened the power of the central state over Chinese society and produced a growing awareness that the people's economic fate is tied to their

³⁶ Harding, Harry. "Will China Democratize?: The Halting Advance of Pluralism." *Journal of Democracy*. Volume 9, Number 1, January 1998, pp16-17.

local enterprises and governments, rather than directly to a unitary system controlled from Beijing. The core reason for cautious optimism about the prospects for democracy in China is that it is expected that leaders there will come to recognize that the alternative to democratization is not authoritarian order but social unrest and political instability.³⁷ Creating at least quasi-democratic institutions of local self-rule would seem to be a necessary first step in the process of facilitating China's long-term evolution toward a more democratic political system.

China's Communist Party has a choice to make: whether to hang on to an outdated and illegitimate model for political control of its people or to take the lead in transforming China into a democratic society. As Arthur Waldron wrote in January of 1998, "China's current system is simply inadequate to the challenges it is creating for itself." In China, communism is a dead ideology. The authority and control of the central government are greatly diminished.³⁸

Recent statements by the Chinese government lend support and evidence to the upcoming democratization of China. At the Fifteenth Congress of the CCP in September 1997, then General Secretary Jiang Zemin stated explicitly that by the middle of the twenty-first century, "China will have become a prosperous, strong, democratic, and culturally advanced social country." Though no explicit definition of democracy was offered, Jiang Zemin and other party members and officials admit a change in the nature of political discourse and see the need for a move toward increased political participation. As stated by Michael Oksenberg, senior fellow of the Asia/Pacific Research Center at

³⁷ Curtis, Gerald L. "The East Asian Prospect: A 'Recipe' for Democratic Development." *Journal of Democracy*. Volume 8, Number 3, July 1997, p145.

Stanford University, "Democracy has begun to be enshrined as an ultimate goal for China, and it is just a matter of time before discussions begin over the features of 'socialist democracy with Chinese characteristics' and the methods that the nation should use to move toward this goal."³⁹

China's democratization is bound to have serious implication for the future of its foreign policy as well as its integration into the international community. While it is far from certain that China will continue to democratize, precursors exist to suggest that democratization is a possibility. Whether or not this domestic political restructuring will affect China's policy toward Taiwan is addressed in the following chapters.

³⁸ Lee, Martin C. M. "Liberal Voices From China: The Hong Kong Example." *Journal of Democracy*. Volume 9, Number 4, October 1998, p8.

³⁹ Oksenberg, p30.

IV. THE TAIWAN QUESTION AND CHINA'S FOREIGN RELATIONS

To explore the impact of PRC democratization on its policy toward Taiwan, it is essential to assess the place of the Taiwan question among Beijing's foreign policy goals and the various constituencies that support them. Beijing's foreign policy in contemporary times has pursued three basic interests: security and national independence, national development, and reunification. The Taiwan question impinges directly on all three goals.

Realism largely explains China's view of the world, but Chinese history and its resulting strategic culture helps to explain China's strategy toward Taiwan. China's security policy contains historically rooted cultural characteristics that are resistant to change. China's experiences have shaped its culture, which influence Beijing's perceptions of the international community. Thus, for a consequential alteration in China's Taiwan policy to occur, one would expect a fundamental change not only in China's perception of the international political environment, but also in the importance that historical experience and strategic culture play in the formulation of national security strategy.

A. CHINA'S FOREIGN POLICY ORIENTATION

A state's foreign policy orientation is determined by the overarching view of the world in which it lives and is composed of the following four perceptions: 1) the nature of the international system; 2) the nature of one's adversaries; 3) the nature of policy problems; and 4) the appropriate policy mechanisms required to address these policy

problems.⁴⁰ China's foreign policy orientation is shaped by its *Realpolitik*-based perceptions of the international system and other state actors. Chinese leaders' view the international community as an arena of competition where the weak are consumed by the great powers. This perception drives Chinese foreign policy. The Chinese obsession with territorial sovereignty and attaining great power status, two primary marks of its national strategy, are a reflection of the foreign policy orientation that seeks to maximize Chinese gains from interaction with the international community while minimizing involvement in entangling alliances and treaties.

B. CHINESE PERSPECTIVES ON THE INTERNATIONAL POLITICAL SYSTEM

China's perception of the international political environment is based on the *Realpolitik*. Today's globalization also is slightly altering the shape of China's foreign policy. The coexistence of these two competing forces in present day China demonstrates a shift in Chinese foreign policy making that has accompanied China's phenomenal economic growth since 1978. While China's leaders see and accept the need to continue opening China's markets to foreign trade and investment, PRC leaders are significantly biased by realism in its greater conceptualization of the international community.

1. Realism

Realism (*Realpolitik*) maintains that since states exist in an anarchic system in which they are constantly subject to harm by other states, governments are chiefly concerned with maintaining or enhancing their relative national power, particularly *vis-à-*

⁴⁰ Dr. Albert Eldridge, Associate Professor of Political Science, Duke University. Lecture Notes: September 1995.

vis their most dangerous potential adversaries. A state's actions are motivated by narrow self-interest and are minimally constrained by moral principles. In step with this, states may adopt the Machiavellian stance that appearing to be moral will serve its self-interest in the long run.

Realism asserts that the nation state is the primary actor and must provide for the protection of state sovereignty, territorial integrity, and independence, which together combine to account for the state's national security. States acting according to realist theory expect that alliances will be flexible and seek security cooperation with other states to balance against the power of states it considers most threatening. Since, however, the system is constantly changing in a manner that an ally of today may be an enemy of tomorrow, states seek to develop their own capacities to defend their interests and tend to resist the imposition of restrictions entangling alliances impose on these capabilities. States are hesitant to delegate authority over issues that affect sovereignty because policies may be made which are detrimental to its well-being. Realism presupposes that states are unitary actors and dominate world politics, and considers force a "usable and effective instrument of policy." For realists, states attempt to defend their territory and interests from real or perceived threats. Political integration among states is minimal and lasts only as long as it serves the national interests of the most powerful states. Transnational actors either do not exist or are politically unimportant. Only the skillful exercise of force or threat of force permits states to survive, and only while statesmen succeed in adjusting their interests, as in a well-functioning balance of power, is the system stable.⁴¹

⁴¹ Keohane, Robert O. and Joseph Nye. *Power and Interdependence: World Politics in Transition*. New York: Little & Brown 1977, p24.

China prefers bilateral to multilateral diplomacy and remains wary of strengthening global customs and norms that detract from its ability to determine its own security. The less confining bilateral diplomacy is thus more appealing to China. In his report to the Fourteenth National Chinese Communist Party Congress, General Secretary Jiang Zemin stated, “When it comes to issues involving national interests and state sovereignty, China will never concede to outside pressure.”⁴²

Realism puts forth a theory of national interests, whose law-like postulate is articulated by Hans Morgenthau, “[T]he main signpost that helps political realism to find its way through the landscape of international politics is the concept of interest defined in terms of power ... We assume that statesmen think and act in terms of interest defined as power.”⁴³ For realists, the state is a unitary actor insulated from the domestic society, and “statesmen” are supposed to represent the objectively existent “national” interests.

Beijing’s adoption of this realist stance results in the Chinese perception of world politics as a Darwinian struggle for survival amongst states, in which states conduct power politics for the purpose of achieving gains that increase its leverage and relative power. Driving China’s national security agenda is the need to maintain the CCP’s legitimacy through a continuation of economic growth, domestic and regional stability, and acquisition of great power status. PRC policy-makers view the international political system as a zero-sum game, in which states are constantly vying for power status, where the most powerful states dominate the weak.

⁴² From the full text reprint as provided by *Daily Report: China*, FBIS-CHI-92-204, October 21, 1992; cited in Jacobsen, footnote 26.

⁴³ Roy, Denny. *China’s Foreign Relations*. New York: Rowman & Littlefield Publishers, Inc. 1998, p72.

Chinese realists stress that military power is derived from economic power. Traditional realists insist on the superiority of high politics – power in reference to the national state (including military power) – and they marginalize the role low politics – power in reference to economics. China believes instead that its military wherewithal is deeply dependent on the well-being of its economy, and believes that its ambitions for regional hegemony are directly related to its economic success.

Despite Beijing's claims to the contrary, China's perspective of the international environment, as noted by Alastair Johnston, is one of inherent danger, where adversaries are by nature threatening, and conflict is viewed as zero-sum in which force is ultimately required to deal with threats.⁴⁴ In what Johnston describes as a *parabellum* paradigm, the PRC “stresses absolute flexibility and a conscious sensitivity to changing relative capabilities. The more this balance is favorable, the more advantageous it is to adopt coercive strategies; the less favorable, the more advantageous it is to adopt defensive or accommodationist strategies to buy time.”⁴⁵

2. Strategic Culture and Historical Experience

Strategic culture is defined by Jack Snyder as “the sum total of ideas, conditioned emotional responses, and patterns of habitual behavior that members of a national strategic community have acquired through instruction or imitation and share with each other.”⁴⁶ An understanding of China's strategic culture provides unique details that help

⁴⁴ Johnston, Alastair Iain. “Cultural Realism and Strategy in Maoist China” in *The Culture of National Security: norms and Identity in World Politics*, edited by Peter J. Katzenstein. New York: Columbia University Press, 1996, pp219-220.

⁴⁵ *Ibid*, pp219-220.

⁴⁶ Snyder, Jack. *The Soviet Strategic Culture: Implications for Limited Nuclear Operations*. RAND Report [R-2154-AF] (Santa Monica, CA: Rand 1977); cited by Michael C. Desch, “Culture Clash: Assessing the Importance of Ideas in Security Studies.” *International Security*. Volume 23, Number 1, Summer 1998, p152.

explain China's actions in both domestic and international politics. As Denny Roy argues,

Unique historical experiences explain some of the distinctive features of Chinese foreign policy: an obsession with Chinese 'sovereignty'; the desire to maintain an international image of Chinese as a principled actor; and the curious mixture of great power and weak power attitudes, with Beijing insisting on the one hand that China be accorded due respect by other politically powerful countries, and demanding on the other hand special privileges due to China's economic underdevelopment and past victimization.⁴⁷

While realism provides an overarching framework and general understanding of Beijing's outlook, it does not account for China's distinctive, culturally based differences. China's unique self-image, based on its history, culture, and geopolitical circumstances, influence and shape its foreign policy and perceptions of the international political arena.

Leaders in Beijing believe China deserves respect for the unquestionable morality with which its behavior is conducted. Chinese leaders view the PRC as inimitable among major powers in its pursuit of a "principled" foreign policy that solely advances noble and just acts. PRC politicians insist that traditional Chinese beliefs that "war is wasteful, that martial strength must never be used for selfish gain or to abuse the weak, and that an unrighteous army is destined to fail of itself" are continually upheld and that China's use of force has occurred in self-defense or for other "just" purposes.⁴⁸

China's historical experience and overwhelming humiliation suffered during the "Century of Shame" continue to shape its perception of the international political arena and its foreign policy. Prior to China's subjugation to Western colonization, which created China's Century of Shame, China had viewed itself as the political and cultural

⁴⁷ Roy, p4.

⁴⁸ Roy, p39.

center of the earth. Chinese civilization was the world's oldest and China's physical size and achievements were marks of a great empire.

The Chinese did not traditionally accept the Westphalian principle of legal equality among nations; in the Chinese scheme of things, China was at the top of a hierarchical international order.⁴⁹ The Chinese considered foreigners inferior, and believed that its neighbors could find a place in the Chinese system only through the tribute system. The Chinese emperor was believed to be the natural ruler of the civilized world, whose power was derived from moral and cultural superiority. Representatives from neighboring states were required to acknowledge the emperor as such by appearing at the appointed hour, laden with a humbled posture and lavish gifts. These neighboring states would then be granted modest trading rights within the Chinese empire.

The arrival of Westerners to China sparked the demise of the Qing dynasty. The emperor's rebuff of Western civilization and unwillingness to grant Great Britain modest trading rights was the first sign of the Qing dynasty's growing obsolescence. By the turn of the twentieth century, China was a semi-colony with its regions divided into spheres of influence controlled by various foreign powers.⁵⁰ Further occupation and subjugation by the Japanese exacerbated China's feelings of ineptitude.

After a long war with the Japanese and eventual expulsion of Japanese occupying forces from the mainland, the Century of the Shame came to an official close with the founding of the People's Republic. The "Myth of National Humiliation" has become central to the identity of the PRC, and redressing the wrongs done to China by the foreign

⁴⁹ Roy, p7.

⁵⁰ Roy, p9.

powers became one of the most important aspects of the PRC's foreign relations.⁵¹

According to Roy,

The most important lessons of the Century of Shame were these: foreign powers want to weaken and exploit China; the Chinese must never again leave themselves vulnerable to abuse at the hands of foreigners; the world has not adequately acknowledged the great injustices done to China nor given China due respect as a traditionally great civilization and a nation of outstanding recent accomplishments; and, finally, the legacy of the Century of Shame will not be completely overcome until Beijing regains control of all historically Chinese territory, especially Taiwan.⁵²

It is with these historical experiences in mind, that the PRC formulates its foreign policy and forms its outlook on the Taiwan question.

C. FOREIGN POLICY FRAMEWORK

The PRC proclaims that its foreign policy is based on the implementation of the Five Principles of Peaceful Coexistence. The late Chinese Premier Zhou Enlai first put these principles forward when he met with an Indian delegation in December 1953. They were included in the joint declarations issued by the Premier with the Prime Ministers of India and Myanmar during the Chinese Premier's visit to the two countries in June 1954. At the first Asian-African conference (the Bandung Conference) held in April 1955, Premier Zhou Enlai reiterated these principles, the spirit of which was incorporated into the declarations of the Conference. In 1982 these Five Principles were written into the Constitution of the People's Republic of China. They are now the fundamental principles for China in fostering and developing friendly relations with all the countries in the world. The five principles are:

- Mutual respect for sovereignty and territorial integrity

⁵¹ Roy, p13.

⁵² Roy, p13.

- Mutual non-aggression
- Non-interference in each other's internal affairs
- Equality and mutual benefit
- Peaceful coexistence.

Insofar as this principled ideology essentially results in a respect for sovereignty, a notion of power in which political authority lies exclusively in the hands of separate states, it establishes the basis for “an anarchy of mutual recognition” and therefore, tends to promote self-centrism over “collective conceptions of interests.” Thus, it is ironic that while the Five Principles of Peace are seemingly intended to counter “hegemony and power politics,” they actually defend the Westphalian anarchic nature of international relations and reinforce the structural source of power politics.

According to the Chinese Embassy in the United States, China independently decides on its approaches and policies regarding world affairs, refrains from entering into alliances or strategic relations with any major power or group of nations, and opposes hegemonism and power politics. Its foreign policy is designed to maintain world peace and create a peaceful international environment for China’s modernization efforts. Accordingly, the foundation of China’s foreign policy is to strengthen solidarity and cooperation with developing countries of the Third World and to develop friendly relations with neighboring countries. China advocates the establishment of international relations and a new international political and economic order on the basis of the Five Principles of Peaceful Coexistence.

Beijing’s foreign policy in contemporary times has pursued three basic interests that are correlated with China’s strategic culture and the need to assert itself as a

powerful Asian state. They are security and national independence, national development, and reunification. Security and national independence refers to the protection of China's sovereignty and territorial integrity, and goes hand in hand with Beijing's goal of reunification. This further emphasizes the pivotal role sovereignty plays in determining China's national identity.

China's national development is comprised of a comprehensive national buildup that focuses on closing the gaps in political, economic, and military capabilities that currently separate it from other great powers. By participating in global economic regimes, China maximizes its access to the world's wealth, knowledge, and influential institutions. Moreover, by adopting a policy of omni-directional rapprochement, the PRC seeks to create a favorable political environment for foreign trade and investment and the diffusion of advanced technology and expertise, and to minimize resource-draining military tensions. A secure and independent China is one in which independent economic viability is achieved to militarily secure both national territory and territorial interests in the region.

D. CHINA'S TAIWAN POLICY

Reunification with Taiwan represents the epitome of Chinese sovereignty issues. At the 54th UN General Assembly on 22 September 1999, Foreign Minister Tang Jiaxuan stated,

The Chinese Government and people will, as always, resolutely safeguard China's sovereignty and territorial integrity, and continue to advance the great cause of national reunification. It is a fact universally recognized by the international community that there is only one China in the world, that Taiwan is an alienable part of Chinese territory and that the Government of the People's Republic of China is the sole legitimate government representing the whole of China. China's territory and sovereignty are absolutely indivisible ... All moves to split the motherland

are doomed to failure. China's great cause of national reunification must be accomplished and will surely be accomplished.⁵³

Furthermore, political leaders in Beijing are well aware that the greatest leaders in Chinese history are those who reunited all the rightful parts of the Chinese empire, while the despised rulers are those who contributed to China's fragmentation and infringement by foreign entities.

1. Taiwan as a Security Concern

The Taiwan question impinges directly on all three of these goals. With respect to security, the strategic importance of Taiwan cannot be overestimated. Taiwan is an "unsinkable aircraft carrier" that sits astride the sea-lanes along the coast of the mainland. Furthermore, the proximity between Taiwan and the mainland heightens Beijing's desire to keep Taiwan within the fold of the PRC. Taiwan's potential military capabilities are a direct threat to the security of the mainland.

Taiwan's continuing military ties with the United States also threaten Beijing's security. The potential deployment of Theatre Missile Defense programs to Taiwan by the United States counters China's power projection and area denial capabilities by negating the utility of its ballistic missiles and tactical nuclear weapons. China's ability to coerce Taiwan into reunification is based on the threat of its ballistic missile forces.

2. China's Economic Interests in Taiwan

In terms of China's national development, Taiwan has been a major source of investment, goods, and technical proficiency. Conventional wisdom suggests that the Chinese economy is on a trajectory of rapid growth that is expected to last for at least another decade. Despite this growth rate, China's economy has several weaknesses that

⁵³ Full text of statement made by Foreign minister Tang Jiaxuan at the 54th UN General Assembly on September 22, in *Beijing Review*. October 11, 1999, p11.

increase its vulnerabilities. Taiwan's advanced technology and favorable economic relations can benefit the PRC. Economically, the Republic of China is the fourteenth largest trading country in the world and seventh largest investor country in the world, while its GNP per capita ranks twentieth in the world. Furthermore, it has the second largest foreign exchange reserves in the world.⁵⁴

A separate, independent Taiwan acts as an additional economic competitor. Economic cooperation between China and Taiwan is a means of limiting competition between Beijing and Taipei. As stated by Jiang Zemin, "In the face of development of the world economy in the twenty-first century, great efforts should be made to expand the economic exchanges and cooperation between the two sides of the Taiwan Strait so as to achieve prosperity on both sides to the benefit of the entire Chinese nation."⁵⁵ Taiwanese investment on and economic cooperation with the mainland are essential contributions to the future of China's economic prosperity. Economic division between the two sides of the Strait will have negative impacts on the mainland economy.

3. China's Reunification Wishes

Taiwan is the last major piece of traditionally Chinese territory to be united with the People's Republic of China, following the restoration of sovereignty over Hong Kong in 1997 and Macao in 1999. Failure to restore sovereignty over Taiwan challenges the legitimacy of the regime and opens the door to questions about the legitimacy of its rule over traditionally non-Chinese areas, including Tibet and Xinjiang. "For the majority of the Chinese population," explains Chen Jian, "acceptance of Taiwan's independence would mean the continuation of China's division and humiliation. Consequently, no

⁵⁴ "White Paper on Cross-Strait Relations." Taipei. FBIS-CHI-94-132, 11 July 1994, p58.

⁵⁵ "Coverage on Jiang Zemin's 'Reunification' Speech". Beijing. FBIS-CHI-95-019, 30 January 1995, p86.

Chinese government, be it democracy or dictatorship, will or can accept Taiwan's independence.”⁵⁶

In keeping with these interests, Beijing has pursued a carrot and stick approach to the Taiwan question. Throughout its appeals for reunification, Beijing has stressed a peaceful approach to unification by calling for negotiations leading to Taiwan's incorporation into the PRC on terms even more flexible than those under which Hong Kong was rejoined with China. Beijing's leaders have made repeated statements to this effect. Beijing assures that,

...after Taiwan's reunification with the mainland, its social and economic systems will not change, nor will its way of life and its non-governmental relations with foreign countries ... Taiwan will exercise a high degree of autonomy and enjoy legislative and independent judicial power, including that of final adjudication. It may also retain its armed forces and administer its party, governmental, and military systems by itself.⁵⁷

Beijing has pressed the opening of various cross-strait exchanges and mechanisms to lay a foundation of mutual confidence in support of eventual reunification. Numerous official papers have included statements showing China's willingness to negotiation with Taiwan. “On the premise that there is only one China, we are prepared to talk with the Taiwan authorities about any matter, including the form that official negotiations should take ... We have proposed time and again that negotiations should be held officially ending the state of hostility between the two sides and accomplishing peaceful reunification step by step,” and efforts have been made to establish direct postal service, trade, and shipping service between the shores as early as possible. Beijing claims its purpose is “to seek common ground while reserving difference, and to unite the two

⁵⁶ cited in Roy, 206.

⁵⁷ Coverage on Jian Zemin's “Reunification Speech.” FBIS-CHI-95-019, 30 January 1995, p84.

shores' efforts to achieve the Chinese nation's rejuvenation, the nation's prosperity, and the people's happiness.”⁵⁸

Despite efforts to resolve the Taiwan question peacefully, Beijing has reserved the right to use force to unify Taiwan under specific conditions, and its military modernization program has been designed to make these threats of force credible. Jiang Zemin stated in his 1995 reunification speech, “There are only two ways to settle the Taiwan question: One is by peaceful means and the other is by non-peaceful means.” Beijing maintains that the need to maintain a credible threat of force is necessary to deter Taiwanese calls for independence and to prevent foreign forces from interfering with the reunification of China.

Finally, in accordance with the “one-China” policy, Beijing has sought to isolate Taiwan diplomatically. According to Beijing, Taiwan is ineligible for membership of the United Nations and other international organizations whose membership is confined to sovereign states. Beijing has also stated that countries maintaining diplomatic relations with China should neither provide arms to Taiwan nor enter into any form of military alliance with Taiwan.

E. TAIWAN'S RESPONSE

Taiwan has pursued a mainland policy that has evolved in step with the transformation of its own political system. Before 1991, the Kuomintang's one China policy prevailed. This policy asserted that the government of Taipei was the legitimate authority of all of China.

⁵⁸ “Commentator Faults *Unification Guidelines*.” Beijing. FBIS-CHI-91-053, 19 March 1991, p77.

In 1991, the Republic of China renounced its claim to being the government of all of China, and it announced a policy of resisting unification with the ROC until it democratized. Taiwan aggressively views unification as the best way to make China more prosperous and powerful, but does not accept the one country two systems policy of the PRC. In its 1994 White Paper on Cross-Strait Relations, Taipei stated,

As for the “two systems” designed by the CCP, they are not placed on par, because the socialist system practiced in the mainland is taken as a main body, while the Three Principles of the People practiced in the Taiwan region is taken as a supplement and can only exist in the transitional period ... the “two systems” can only be an expedient measure for putting Taiwan at the mercy of the CPC ... under such an arrangement, the Taiwan region will eventually be forced to give up its system of freedom and democracy ... therefore the package proposed by the CPC is objectively not feasible and subjectively unacceptable to us.⁵⁹

Instead of the two-systems view, Taiwan leaders assert that there exist on either side of the Strait two independent “political entities.” In its national reunification guidelines, Taiwan clearly states that on the principle of “one China” the two sides of the Strait should not deny each other as independent political entities, and that neither side has any way to exercise ruling power over the territory of the other. Taipei stipulates that unification should be based on the principles of peace, equality, and mutual benefit, and must ultimately be grounded in democracy and the rule of law.

Meanwhile, Taiwan has pursued a policy of translating its economic strength and international sympathy into political support for Taiwan’s autonomy from Beijing, and perhaps, de jure independence down the road. Recent election of pro-independence leadership in Taiwan suggests that Taiwan is growing further away from the mainland. Taiwanese leaders consistently state that the Republic of China is a sovereign state, and

⁵⁹“White Paper on Cross-Strait Relations.” Taipei. FBIS-CHI-94-132, 11 July 1994, p54.

that Communist China's efforts to block various activities in the international community has resulted in the call for Taiwanese independence.

V. IMPLICATIONS OF DEMOCRATIZATION ON CROSS STRAIT RELATIONS

Democratization is not likely to result in significant changes in the PRC's policy toward reunification with Taiwan. Chinese democratization is a step toward creating a more open and liberal China, but the expectation that democratization will automatically result in peace across the Strait is a miscalculation. Taiwan holds a special place in Chinese foreign relations, and flexibility on the future of reunification is not necessarily subject to the same latitude relevant to other aspects of Chinese foreign policy undergo. Democratic peace theorists would argue that a democratic China would be restricted in its Taiwan policies by the norms of domestic politics. Mainland Chinese, however, are not willing to grant Taiwanese independence and see any break in the territorial integrity of China as a threat to its national interests and security.

Despite its recognition of the potential value of interdependence and multilateralism, China is not particularly concerned with the influence these forces are exhibiting over the structure of the international system and processes of international relations. Instead, Beijing maintains its state-centric outlook and views the growing transnational and global networks through that lens, choosing to focus on how this new environment benefits China and the maximization of its national interests. Why then should it be expected that democratic norms would influence its foreign policy and relations with Taiwan?

To displace the dominance of *Realpolitik* in Chinese policies and perceptions, significant change must occur along the lines of value definition and institutional evolution in Chinese society. While democratization in China is bound to result in some

changes in Chinese definitions of value, it is unlikely that a dramatic shift will occur in the importance that strategic culture, history, and national identity play in the foreign policy making process.

The evolution of Chinese political society from authoritarianism to democracy is likely to produce a political structure that is very different from the Western conception of liberal democracy. Democracy in the Chinese context can be expected to include free and open elections, introduction and practice of the rule of law, and protection of basic human rights and civil liberties. One should not expect, however, that democratization would result in a fundamental change in the norms that govern China's agenda regarding Taiwan. History has played a significant role in the determination of China's cross-Strait policy, and one would be naïve to believe that a domestic political transition will instantaneously erase the importance of years of experience.

China's *Realpolitik* perspective, combined with its unique strategic culture and historical experience, shape its perceptions of the international community and the way in which politics within that community are to be conducted. While China seeks to engage in the world economic power and acquire regional hegemony, it seeks to minimize the influence of foreign powers within its own borders. Its obsession with territorial integrity and contested issues of sovereignty are a product of the Century of Shame.

A. TAIWAN AS A SECURITY CONSIDERATION

Democratization is not likely to affect the degree of importance that Beijing places on Taiwan in its security calculus. The basic aspects of this security calculus: Taiwan's strategic location, the significance of the sea-lanes of trade and communication, proximity of Taiwan's territory to the mainland, and Taiwan's extensive ties, especially

militarily, with the United States. These considerations will not go away if the PRC transitions to a democracy.

As a democracy, China would have a greater stake in resolving the Taiwan question peacefully, given its larger integration into the international community; this however, is not automatically the case. China's transformation to a democracy is likely to give greater legitimacy to its threat of the use of force to unify Taiwan and the mainland. The Taiwanese would be hard pressed to justify preventing unification once China transitions to a democracy, and the PRC is certain to continue to pursue the issue as a domestic dispute as a civil war. Democratic peace theory does not apply to the interactions that occur in a civil war.

Moreover, if the United States continues to maintain its relationship with Taiwan and its influence in Asia, it is likely that China will continue to view the United States as a hegemonic power. While not necessarily adopting a confrontational approach with the United States, China is bound to manifest capability to confront the United States if necessary. As a result of China's long-standing desire to establish regional hegemony and limit US interference in the Asia-Pacific region, an aggressive Taiwan policy is likely to ensue. Taiwan can serve as both a bargaining tool with the United States as well as a catalyst for modernization on the mainland.

Finally, were China ever to come into conflict with another peer competitor, Taiwan would be invaluable in securing the mainland. Restriction of movement through the Taiwan Strait, as well as the ability to utilize Taiwan as an "unsinkable aircraft carrier" all favor the PRC in a regional conflict and would not be possible if Taiwan were not reunited with the mainland.

B. DEMOCRATIZATION'S AFFECT ON ECONOMIC INTERESTS IN TAIWAN

As a democracy, China is likely to have an even greater interest in maintaining its economic wherewithal and expanding its global economic relationships. Taiwan's vast economic prosperity as well as its investments in Southeast Asia render it a force in determining the economic future of the region. Furthermore, it is in China's best interest to lure Taiwanese investment on the mainland. To date, Taiwan only has limited investments on the mainland. The Taiwanese are fearful of PRC political instability and the mainland's relations with the United States.

Economically, it behooves China to hold onto Taiwan at any cost. The vast technological wealth and expansive foreign exchange reserves have the potential to aid the mainland economy and stimulate growth and productivity. If Taiwan were to become an independent state, China may not be able to access those resources. A unified China would mean mainland access to all of the resources on Taiwan (and eventually same governance of those resources).

In vying for regional hegemony, it is in China's best interest to increase its Gross National Product to the greatest extent possible. Creating economic cooperation across the Strait is the one way the PRC can accomplish this task. Democratization will not reduce China's want or need for economic prosperity and this is sure to be reflected in its pursuit of reunification with Taiwan.

C. DEMOCRATIZATION'S EFFECT ON PRC REUNIFICATION GOALS

As a democracy, China's territorial interests may be expected to be consistent with its current interests. Beijing's leaders cannot take the unity of China for granted.

The massive country is both geographically and culturally diverse, and disunity and civil war have plagued China throughout its existence. The state is comprised of 31 provinces, 160 prefectures, 2,500 counties and cities, nearly 100,000 townships and urban wards, and over a million rural villages.⁶⁰ Maintaining control over such a vast and diverse state is precarious at best. Failure to reunite Taiwan with the mainland will call into question the legitimacy of Chinese rule over these diverse regions and will likely open the door to a domestic political unrest.

Furthermore, a presently nationalistic China should not be expected to become any less nationalistic as a result of democratization. Popular nationalism is evident and will continue to be a source of pride for the Chinese people. The deliberate use of the return of Hong Kong and Macao as an occasion for national celebration exemplified these feelings of pride and patriotism. With regards to China's policy toward Taiwan, the essence of Beijing's nationalistic appeal is that through unification, it is restoring China's greatness. In the minds of most Chinese, China's moments of greatness coincide with eras of maximum unity, strength, and national territorial integrity.

Beijing's ability to maneuver on the Taiwan question is in fact limited by constraints imposed by public opinion. According to a recent RAND study, from Beijing taxicab drivers to Shandong farmers to Sichuan intellectuals, the refrain is the same: Taiwan is a part of China.⁶¹ Mainlanders believe that while Taiwan can be afforded sizeable autonomy within the greater Chinese system, they cannot and will not be allowed to deny the "one-China" policy. Beijing's cultivation of these feelings has

⁶⁰ Michael Oksenberg, Michael Swaine, and Daniel Lynch. *The Chinese Future*. Pacific Council on International Policy and RAND Center for Asia Pacific Policy. RAND, 1998, p6.

⁶¹ Ibid, p20.

resulted in an overwhelming commitment to unification. The expectation that public opinion and public demands for reunification will somehow be lessened by democracy is thus unfounded.

In fact, Beijing's flexibility regarding Taiwan may be constrained by democratization. The exposure of China to the outside world, and opening of its society to the telecommunications revolution resulted in formulation of public opinions outside of state control. A democratic regime responsive to nationalistic public opinion would be expected to uphold nationalistic appeals for reunification. Furthermore, a democratic regime would be considerably less able than an authoritarian regime less responsive to public opinion to make the compromises that peaceful resolution of the Taiwan question might require.

D. TAIWANESE OUTLOOK ON DEMOCRATIC PRC

During the PRC's transition from authoritarianism to democracy, Taiwan is bound to continue its efforts for international recognition while also strengthening its relationship with the United States. This pursuit for international recognition is in direct conflict with the "one-China" policy. Taiwanese leaders have indicated that they do not see this policy as contrary to reunification goals, but rather view the opportunity to meet with mainland leaders in international forums as a step toward achieving reunification.

Taiwan appears nevertheless to be moving along a course leading to a declaration of independence. Its effort to establish itself as an internationally recognized political entity is directly in line with this course of independence. While public rhetoric may not reflect the goals for independence and pay lip service to the goals of reunification, one must question the extent to which Taiwan truly favors reunification. Mainland leaders

may not be too far off in their assessment of Taiwan's intentions and resulting lack of enthusiasm for reunification efforts.

If China were to become democratic, it is unlikely that Taiwan would uphold its commitment to submit to reunification. Taiwan's insistence that the PRC transform to democracy likely has dual intentions. First, it is likely that Taiwan views the chances for Chinese democratization as slim, or at least slow going. By adhering to a policy contingent on democratic reform, Taiwan has created a precondition that appears legitimate given the divergent nature of the two regimes, and with which Western powers are likely to sympathize. The time that such a transition would require allows Taiwan more time to stake its independent claim in the international community.

Second, the Taiwanese probably expect that a democratic PRC will not be able to force the issue of reunification. Drawing on premises similar to those of the US-China policy of engagement, Taiwan is likely to view the use of military force between a democratic mainland and democratic Taiwan as anathema to the essence of democracy. Based on this belief, Taiwan's adherence to a reunification policy based on PRC democratization actually protects it from ever having to reunify with the PRC. It is unlikely that Taiwan would willingly submit itself to reunification with the mainland no matter what the political composition.

E. IMPLICATIONS FOR US-CHINA POLICY

The US policy of engagement with China is based largely on the belief that engagement will induce democratization, which will then create a China that adheres to the principles of democratic peace. Presuming that China will act according to these

principles, US leaders believe that democratization will provide the basis for peaceful settlement of the Taiwan question.

Regional stability in the East Asian region is important US national security. The tacit commitment to Taiwan made by the US in the Taiwan Relations Act is fiercely upheld by proponents within the United States and is often the center of debate in American discussions. US-China policy is shaped by the strategic importance of Taiwan. In the twenty-first century, Taiwan will continue to bolster its economic and political leverage in the region. The US cannot afford to be excluded from relations with Taiwan.

Statements regarding China's regional strength and influence within the region and its potential role in the global community do not fall on deaf ears in Washington. The US is aware of the importance that China is going to play in the Asia-Pacific region during the next century. It is therefore in the US best interest to have strong diplomatic and economic ties with China. Currently goodwill between China and the United States is limited by conflict over the Taiwan question and China's objection of ongoing arms sales by the US to Taiwan in accordance with the Taiwan Relations Act. Peaceful resolution of the Taiwan question is likely to help ameliorate animosities between China and the United States.

Current US policy, which pursues engagement as a means for democratization on the mainland and is expected to result in a peaceful resolution of the Taiwan question, is not likely to automatically produce a unified democratic China. Engagement might very well bring about China's democratization, but democratization is no guarantee that China will pursue the Taiwan question with any less vigor or determination, nor is it likely to renounce the use of force as an option to ensure reunification.

In light of this conclusion, it might behoove the United States to reevaluate its China policy. Democratization will assuredly have positive effects on the PRC, but assuming that democratization will automatically result in a peaceful resolution of the Taiwan question is not a foregone conclusion.

F. CONCLUSION

China's claim over Taiwan remains central to its national identity and is a cornerstone of Chinese national security. Maintaining a firm grip on Taiwan is in the best interest of the Chinese leadership. As has been demonstrated throughout Chinese history, the Chinese people favor those leaders who maintain China's territorial integrity therefore protecting its greatness. Under democracy, the Chinese people are not likely to change in their desires for greatness; likewise they should not be expected to become less fervent in their reunification efforts. It is imperative for US policy makers to be aware that the policy of engagement, while noble in its efforts and potentially effective in its efforts to induce democratization, is not a panacea for the Taiwan situation.

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